

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 CIAE-00 COME-00 DODE-00
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E.O. 11652: N/A
TAGS: EWWT, PDEN, WZ
SUBJECT: CREATION OF ROYAL SWAZILAND MARITIME COMPANY
(RSMC)

REF: (A) 76 MBABANE 1723, 1843 (B) MBABANE 481, (C) MBABANE 2028

1. SUMMARY. THE CREATION OF THE RSMC, WHICH WAS GREETED BY A MIXTURE OF INCREDULITY AND DERISION IN SWAZILAND WHEN IT WAS ANNOUNCED IN JANUARY OF THIS YEAR (REF B), MAY WELL TURN OUT A FAR BETTER INVESTMENT THAT WAS ORIGINALLY APPARENT FOR TWO REASONS, (A) THE ORIGINAL INTENTION OF PURCHASING THEIR OWN SHIPS HAS BEEN

DELAYED, PERHAPS INDEFINITELY; B) THE RSMC WAS SET UP WITH THE ASSURANCE THAT THEY WOULD BE GIVEN RSA CARGO TO CARRY, ESPECIALLY TO THOSE PORTS WHERE PROBLEMS MIGHT BE EXPECTED FROM DOCK WORKERS WHO WOULD BE UNWILLING TO HANDLE CARGO TO OR FROM SOUTH AFRICA. END SUMMARY.

2. EMBOFF DISCUSSED THE POLITICAL MACHINATIONS
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LEADING UP TO THE CREATION OF THE RSMC WITH WALTER DLAMINI, A MEMBER OF THE BOARD OF DIRECTORS, AND THE OPERATIONS OF THE COMPANY WITH DAVID ABERSON, AN AMERICAN LAWYER WORKING FOR THE RSMC. THE LINE WHICH HAD BEEN DISCUSSED FOR YEARS (REFS A) HAD LONG BEEN PROMOTED BY NATHAN KIRSH, A WHITE SOUTH AFRICAN BUSINESSMAN WHO CARRIES

A SWAZILAND PASSPORT AND IS
VERY CLOSE TO THE KING. THE PROJECT HAD BEEN OPPOSED
BY MANY PEOPLE WHO SAW IT AS ANOTHER OF KIRSH'S
SCHEMES TO ENRICH HIMSELF AND INCREASE HIS INFLUENCE

IN SWAZILAND.

3. THE LINE BECAME REALITY THIS YEAR WITHOUT KIRSH
AND OVER THE OPPOSITION OF S.S. NXUMALO, MINISTER OF
INDUSTRY, MINES AND TOURISM WHO IS AN ALLY
(SOME CYNICS SAY MINION) OF KIRSH. MINISTER
OF FINANCE STEPHENS ALSO OPPOSED THE PROJECT ON
PURELY ECONOMIC GROUNDS. HE WAS UNAWARE THAT THE
NEW SHIPPING LINE WAS PROMISED CONSIDERABLE AMOUNTS
OF SOUTH AFRICAN CARGO.

4. THE GOS DID NOT INVEST ANY EQUITY IN THE PROJECT;
THEY SIMPLY GUARANTEED A ONE MILLION DOLLAR
EURO-DOLLAR LOAN THROUGH A NEW YORK BANK AS OPERATING
EXPENSES FOR SETTING UP THE COMPANY AND THE LEASE
OF THREE VESSELS. THE SHIPS WILL BE ESSENTIALLY
COASTAL VESSELS WORKING THEIR WAY DOWN FROM EUROPE
AROUND AFRICA AND THEN BACK UP. WITH THE WORLD GLUT OF
EXCESS SHIPPING CAPACITY, BOULDER SHIPPING COMPANY WAS ABLE
TO PICK THE VESSELS UP CHEAPLY. THEY ARE RELATIVELY SMALL
VESSELS THAT ARE
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SUITED FOR THE SMALLER AFRICAN PORTS THAT ARE
NOT EQUIPPED TO HANDLE CONTAINERIZED SHIPS. THE
ORIGINAL ANNOUNCEMENT THAT THE RSMC WAS TO ORDER AND PURCHASE
SHIPS FROM NORWAY WAS PREMATURE. THEY WILL CONTINUE
TO OPERATE LEASED SHIPS FOR SOME TIME AND THE FINAL
DECISION ON ORDERING NEW SHIPS IS FAR FROM CERTAIN.
WACHOB

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NNN

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